



STATE BOARD OF EQUALIZATION

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DOUGLAS D. BELL
Executive Secretary

No. 78/109

June 30, 1978

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 24

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 2336 - Amended June 19, 1978

An act to amend Sections 5450, 6400, 6402, 6420, 6440, 6444, and 10600.4 of, and to add Section 6444.5 to, and 10600.1 of the Streets and Highways Code, relating to the improvement acts.

(1) Under the Improvement Act of 1911, unpaid assessments of less than \$50 are required to be collected on the tax roll or as a cash assessment.

This bill would require unpaid assessments of less than \$150 to be so collected.

(2) Under the Municipal Improvement Act of 1913, in cases where bonds are to be issued pursuant to the Improvement Act of 1911, assessments under \$50 not paid within 30 days of recordation are delinquent and bear a penalty interest rate of 1% per month from the date of the bonds.

The bill would increase that amount to \$150.

(3) The bill would make other related changes.

No. 2754 - Amended June 20, 1978

An act to add Section 10752 to the Vehicle Code, relating to vehicles.

A camper is defined, generally, as a structure providing facilities for human habitation, designed to be mounted upon a motor vehicle. A camper is not required to be registered or identified.

This bill would make it unlawful to manufacture a camper after July 1, 1979, unless the manufacturer's serial or identification number, as

ASSEMBLY BILLS (Contd.)No. 2754 - (Contd.)

specified, was legibly stamped onto, or permanently affixed to the exterior of the camper.

In addition, the sale by a retailer of a new camper without a manufacturer's serial or identification number would be prohibited on or after January 1, 1980.

There would be no violation pursuant to such provisions until the Director of the Department of Motor Vehicles approved a numbering system, as specified, which would ensure that each camper receives a unique number.

The bill would provide that, notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section for a specified reason.

No. 2902 - Amended June 21, 1978

An act to amend the heading of Part 6 (commencing with Section 11201) of Division 2 of, to amend Sections 11201, 11203, 11251, 11252, 11271, 11291, 11293, 11316, 11317, 11401, 11403, 11426, 11651.5, 11652, 11653, and 11654 of, and to add Sections 5367 and 11340 to, the Revenue and Taxation Code, relating to taxation.

Under existing law, penalties are frequently specified for failure on the part of a taxpayer to provide information relating to the assessment of property for purposes of property taxation.

This bill would specify a penalty for owners of certain aircraft who neglect to file statements after being requested to do so by the assessor. Provision would be made to abate such penalty if the failure to file is due to reasonable cause and not due to willful neglect.

The bill would also make clarifying changes with respect to certain penalties under the Private Car Tax Law and would specify that certain petitions for reassessments under such law must be in writing.

The bill would also change the title of the Private Car Tax Law to Private Railroad Car Tax Law and would make conforming changes.

No. 2974 - Amended June 19, 1978

An act to add Section 999 to the Revenue and Taxation Code, relating to property taxation, ~~and making an appropriation therefor.~~

Under existing law, property is most generally assessed for purposes of property taxation at its value on the first day of March of each year, and a tax is then imposed on such property for the entire fiscal year which follows such assessment. Thus, a person with a taxable possessory interest in tax-exempt property on the first day of March would be liable for a property tax on such interest for the following fiscal year, even though such person may not occupy the premises for any part of such fiscal year.

This bill, contingent upon approval by the voters of Assembly Constitutional Amendment No. 82 of the 1977-78 Regular Session, would establish procedures for collecting property taxes on possessory interests in certain tax-exempt property used for the berthing of commercial or pleasure vessels at the same time as the rent, would provide that the owner

ASSEMBLY BILLS (Contd.)No. 2974 - (Contd.)

of the possessory interest would be liable for such taxes for that portion of the year such owner had such possessory interest, and would authorize the refund of any overpayment of such taxes

This bill would specify that local agencies shall not be reimbursed for costs incurred pursuant to this act nor shall any appropriation be made by this act for such purpose, for a specified reason.

No. 2986 - Amended June 21, 1978

An act to add ~~Section 202.8~~ to Article 10 (commencing with Section 2400) to Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code, relating to property taxation.

Existing law, as revised by the addition of Article XIII A to the California Constitution by Proposition 13 as approved by the voters at the statewide election held on June 6, 1978, limits the property tax rate on all real property.

This bill would enact the Renter Property Tax Relief Act of 1978 to grant benefits to renters in the form of required rent reductions in proportion to the property tax benefits received by owners of rental units as a result of the enactment of Article XIII A of the California Constitution.

The bill would provide that notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement nor appropriation made by this bill for a specified reason.

SENATE BILLSNo. 382 - Amended June 20, 1978

An act to amend ~~Section 2350~~ of the Revenue and Taxation Code, and to add Chapter 6 (commencing with Section 13500) to Part 3 of Division 9 of, and Section 17000.5 to, the Welfare and Institutions Code, relating to public social services, making an appropriation therefor.

(1) Existing law requires every county to relieve and support all residents who are incompetent, poor, indigent or incapacitated when such persons lack other means of support. Such relief and support includes medical assistance, as well as general assistance. Programs established to meet this requirement are wholly funded and administered by the county.

This bill would limit the above obligation to the provision of medical assistance and enact new provisions requiring the counties to administer a general assistance program pursuant to regulations promulgated by the Director of Social Services. The bill would specify eligibility criteria, prescribe the amounts of aid payments, and require such recipients who are capable of employment to register for work with the Employment Development Department, to be available for work, and to conduct an active search for work. The counties would be authorized to establish work projects for recipients capable of employment in accordance with specified guidelines.

The bill would appropriate \$40,000,000 to the State Department of Social Services to pay 1/3 of the costs incurred by the counties during the

SENATE BILLS (Contd.)No. 382 - (Contd.)

1978-79 fiscal year in operating the general assistance program. It would also require the state to pay 50% of county costs for public health and primary health care services, excluding inpatient services.

(2) Under existing law, the counties pay a specified annual share of the cost of the California Medical Assistance Program (Medi-Cal) and the State Supplementary Program for the aged, blind, and disabled (SSP). The share is adjusted annually and is based on the county's taxable assessed value of assessed property.

Under the Aid to Families with Dependent Children Program (AFDC), the counties pay 32.5% of the aid grants and 50% of the nonfederal administrative costs of the program, with specified exceptions. Under the federal Food Stamp Program, the counties pay all of the nonfederal share of program administrative costs.

This bill would require the state to pay the following for the 1978-79 fiscal year only:

(a) All county costs for Medi-Cal and SSP.

(b) 95% of the nonfederal share of grant and administrative costs for AFDC, except the state would pay 80% of the grant costs for providing children with foster care.

(c) 95% of the nonfederal share of administrative costs for the federal Food Stamp Program.

(3) Under existing law, AFDC grant amounts are adjusted annually based on changes in specified consumer price indices. Also, AFDC does not provide aid to a child over 18 years of age, except under specified circumstances, including where a child is less than 21 and is regularly attending school or a training program.

This bill would impose a ceiling of a 5% increase on any cost-of-living adjustment to AFDC grants for the 1978-79 fiscal year. For such year, it would disqualify from AFDC any child over 18 who otherwise would qualify under the circumstance specified above.

(4) Under the existing Medi-Cal program, public assistance recipients and medically needy and medically indigent persons, as defined, are eligible to receive all services included on the Medi-Cal schedule of benefits.

This bill would provide that during the 1978-79 fiscal year medically needy and medically indigent persons who are not receiving aid under a county general assistance program shall not be eligible to receive those Medi-Cal services which are not required by federal law.

(5) Existing law also provides that before a county may close, sell, lease, or transfer the management of any county medical facility or reduce the level of services provided to indigents by such a facility, the county shall give specified notice and make findings based on hearings that such action will not have a detrimental impact on the health care needs of indigents.

This bill would suspend such law for the 1978-79 fiscal year. In lieu thereof, the bill would require the county to give notice and hold a public hearing at least 15 days prior to implementation of the proposed action.

SENATE BILLS (Contd.)No. 382 - (Contd.)

(6) The bill would appropriate an unspecified amount to the Health Care Deposit Fund, and to the State Department of Social Services and the State Department of Health Services for payment to counties, in accordance with the bill.

No. 993 - Amended June 20, 1978

An act to amend Sections 3791.5, 3797, 3802, 3803, 3806, 3807.3, 3807.5, 4102, 4217, 4222, 4672, 4672.1, and 4920 of, to add Sections 3793.5, 3808, 4114, 4115, and 4116 to, and to repeal Sections 3793.5, 3807, 3808, 3814, and 4114 of, the Revenue and Taxation Code, relating to taxation.

Existing law specifies procedures for the redemption or other disposition of property which has been sold to the state or deeded to certain nonprofit organizations for delinquent property taxes.

This bill would revise such procedures.

This bill would specify that there are no state-mandated local costs in this act.

No. 1490 - Amended June 21, 1978

An act to add Sections 2544, 42243.7, and 85423 to the Education Code, to amend Sections 2231, 2236, 2241, 2250, 2253, 2253.2, 2253.5, 2253.8, and 2255 of, to add Sections 2206.8, 2237, 2255.4, and 2274.3 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law specifies various procedures relating to claims that may be made to the State Controller for reimbursement to a local entity for costs mandated by the state.

This bill would revise such procedures and would take effect immediately as an urgency statute.

No. 1571 - Amended June 23, 1978

An act to amend Section 408.4 of add Sections 155.2, 155.3, 532.3, 619.5, and 4843 to the Revenue and Taxation Code, relating to taxation.

Existing law mandates certain duties to be performed by each county assessor by a specified date, with regard to the taxation of property.

This bill would provide that the State Board of Equalization may extend the date by which such duties for the 1978-79 fiscal year only, for a period not to exceed 60 days, and would make nonmandatory those duties of any assessor of a county of more than four million population which are not directly related to the preparation of the assessment roll, for such fiscal year.

Under existing law, the county assessor must notify assesseees of assessed valuations in certain circumstances.

This bill would provide that such duty shall not be mandatory for the 1978-79 fiscal year only with regard to counties of more than four million population.

Under existing law, any amount of overpayment of property taxes may be refunded except on a claim verified by the person who paid the tax, his

SENATE BILLS (Contd.)No. 1571 - (Contd.)

guardian, executor or administrator, which is filed within a specified period.

This bill would authorize the refund of overpayments of taxes resulting from corrections to the 1978-79 fiscal year roll whether or not a claim has been filed for such refund, in counties of more than 1,500,000 population.

Under existing law, local agencies are required to perform certain duties for the assessment and taxation of property by dates specified by statute.

This bill would revise the dates by which certain duties must be performed by local agencies, for the 1978-79 fiscal year only.

No. 2212 - Amended June 22, 1978

An act to add Sections 26912 and 26913 to the Government Code, and to add Sections 2247 and 2268 amend Sections 110 and 110.5 of, and to add Sections 110.1, 2235, and 2268 to, the Revenue and Taxation Code, relating to allocation of property tax revenues, and declaring the urgency thereof, to take effect immediately.

Existing law does not authorize counties to allocate to other taxing entities within the county the revenues from property taxes levied by the county on behalf of such entities.

This bill would require county auditors to allocate local property tax revenue within a county in the 1978-79 fiscal year to each taxing entity pursuant to a specified formula.

Under existing law, counties, cities, counties and cities, and certain special districts may levy a property tax.

This bill would prohibit any local agency except a county to levy a property tax, with certain exceptions, and would revise the definition of full cash value of property.

This bill would specify that there is no reimbursement or appropriation made by this bill pursuant to Section 2231 of the Revenue and Taxation Code for a specified reason.

This bill would take effect immediately, as an urgency statute.

No. 2224 - Introduced June 7, 1978

An act to add Part 10.8 (commencing with Section 20841) to Division 2 of the Revenue and Taxation Code, relating to property tax reduction pass-on, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Existing law does not require owners of property to pass on property tax reductions applicable to such property to any renters or lessees of such property.

This bill would require certain owners of property, including mobile-homes, which is rented or leased and used for residential purposes, to pass on to such renters or lessees a specified property tax reduction, to notify such renters or lessees of such tax reduction pass-on, and to file an information report to the Franchise Tax Board on April 15 of each year, and would apply to agreements entered into on or after the effective date of this act.

SENATE BILLS (Contd.)No. 2224 - (Contd.)

This bill would make willful failure to file such information report or notify a lessee or renter of such pass-on a misdemeanor.

This bill would appropriate an unspecified amount to the Controller for allocation and disbursement to local agencies for costs incurred by them pursuant to this bill.

This bill would take effect immediately as an urgency statute.

SENATE CONSTITUTIONAL AMENDMENTNo. 66 - Introduced June 19, 1978

Senate Constitutional Amendment No. 66--A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by amending Section 1, 2, and 4 of, and to add Section 7 to, Article XIII A thereof, relating to tax limitations.

Existing provisions of the California Constitution limit the maximum amount of ad valorem taxes on all real property to 1% of the full cash value, as defined, and require the 1% tax to be collected by the counties and apportioned according to law to the districts within the counties.

This measure would apply such limitation only to residential real property, would specify such tax shall be apportioned according to law to counties, cities and districts within the counties, and would measure such 1% limitation according to the fair market value of such property for the 1975-76 fiscal year, with certain adjustments thereafter.

The existing California Constitution specifies cities, counties and special districts may impose special taxes on such district by a 2/3 vote of the qualified electors of such district.

This measure would specify that such taxes may be imposed by such entities pursuant to a 2/3 vote of those voting on the issue at any election.

This measure would provide that the amendment to Article XIII A, approved by the voters on November 7, 1978, shall become effective upon the passage of such amendment.

SIGNED BY THE GOVERNOR

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2085	236	June 16, 1978	January 1, 1979

An act to amend Section 2610.5 of the Revenue and Taxation Code, relating to taxation.

Existing law provides that failure to receive a tax bill from the tax collector of each county does not relieve the fee owner from the liability to pay taxes owned or for penalties.

This bill would provide that no penalty shall be imposed if the tax collector does not mail the tax bill to the address provided on the tax assessor's roll.

June 30, 1978

SIGNED BY THE GOVERNOR (Contd.)

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2265	232	June 16, 1978	January 1, 1979

An act to amend and repeal Section 227 of the Revenue and Taxation Code, relating to taxation.

Under existing property tax law, a documented vessel is assessed at 1% of its full cash value, from the lien date in 1975 to the lien date in 1979, inclusive, if it is engaged or employed exclusively in carrying or transporting 7 or more people for hire for commercial passenger fishing purposes.

Existing law also provides procedures for claims to be submitted by units of local government for reimbursement of property tax revenues lost as a result of such provision from funds continuously appropriated to the Controller for such purposes.

This bill would continue the application of the special assessment only through the 1979-80 fiscal year but would extend the termination date from March 1, 1979, to January 1, 1980.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 154	292	June 24, 1978	Immediately

An act to add Section 84205.5 and Chapter 5.5 (commencing with Section 84900) to Part 50, and to repeal Section 84771, of the Education Code; to add Part 1.5 (commencing with Section 16250) to Division 4 of, and Article 6 (commencing with Section 16492) and Article 6.5 (commencing with Section 16496), to Chapter 3 of Part 2, of Division 4, of Title 2 of, and to add Sections 26912 and 26913 to, the Government Code; to amend Section 11836 of the Health and Safety Code, as added by Chapter 1252 of the Statutes of 1977; to amend Sections 110 and 110.5 of, and to add Sections 110.1, 110.6, 2217, and 2235 to, the Revenue and Taxation Code; and to amend Section 5705 of the Welfare and Institutions Code, relating to state and local government, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

This bill has as its purpose the partial relief of local government from the temporary difficulties brought about by the approval of Proposition 13 at the June 6, 1978 election.

The bill would appropriate funds from the General Fund to Section A of the State School Fund, in lieu of statutorily prescribed appropriations, for the 1978-79 fiscal year and would prescribe a method for computing the state support for school districts and county superintendents of schools.

The bill would appropriate funds for various categorical aid programs operated by school districts and county superintendents of schools.

The bill would appropriate funds from the General Fund to Section B of the State School Fund and would provide for the apportionment of such funds to community college districts in the 1978-79 fiscal year.

It would provide for the distribution by the State Controller, in accordance with a specified procedure, of \$250,000,000 to cities, and

SIGNED BY THE GOVERNOR (Contd.)SB 154 - (Contd.)

\$436,000,000 to counties and cities and counties, for the 1978-79 fiscal year. Such amounts would be required to be given first for police and fire programs.

It would provide for the distribution, in accordance with a specified procedure, of \$125,000,000 to special districts for the 1978-79 fiscal year.

It would limit the use of state funds for cost of living salary increases in the 1978-79 fiscal year and would require each city, county, and city and county, the Department of Finance, and the Legislative Analyst to report with respect to expenditures and revenues of such local agencies.

It would appropriate \$870,000,000 to the Local Agency Emergency Loan Fund, which would be created in the State Treasury, to be available for short term loans to be made by the Pooled Money Investment Board to local agencies, in accordance with a specified procedure.

It would appropriate \$30,000,000 to the Local Agency Indebtedness Fund, which would be created in the State Treasury, to be available for loans to be made by the Pooled Money Investment Board to local agencies for the purpose of making payments due on certain nonvoter approved bonds during the 1978-79 fiscal year.

This bill would:

(a) Reduce moneys made available under this bill to counties determined by the State Director of Health Services to have made a disproportionate reduction in net county costs for health services, as prescribed, which the director determines will be detrimental to the health needs of the public or indigents.

(b) Waive the requirement of county matching funds otherwise required in order to obtain funding of county alcoholism programs during the 1978-79 fiscal year.

(c) Waive the requirement for county financial participation in funding county programs under the Short-Doyle Act during the 1978-79 fiscal year.

The bill would provide for the imposition of a property tax by counties at the rate of \$4 per \$100 of assessed valuation and for the distribution of the revenues derived from such tax to each such county and to the local agencies, school districts, and community college districts within such county, and to the county superintendent of schools.

The bill would require the state to pay the following for the 1978-79 fiscal year only:

(a) All county costs for Medi-Cal and SSP.

(b) All county costs for AFDC, except the state would pay 95% of the nonfederal share of grant costs for providing children with foster care, subject to a specified condition.

(c) Each county's share of the administrative costs for the federal Food Stamp Program.

The bill would limit the annual cost-of-living increases for SSP and AFDC grant amounts for the 1978-79 fiscal year to any cost-of-living increase granted state employees by the Budget Act of 1978, but not to exceed that otherwise provided by existing law.

June 30, 1978

SIGNED BY THE GOVERNOR (Contd.)

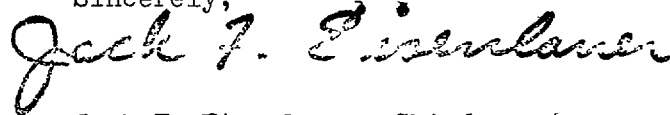
SB 154 - (Contd.)

The bill would also appropriate specified amounts from the General Fund to the State Department of Social Services and the State Department of Health Services for each county's share of the welfare programs specified in the bill.

The bill would state that there are no state-mandated local costs that require reimbursement for a specified reason.

The bill would take effect immediately as an urgency statute.

Sincerely,

A handwritten signature in cursive script that reads "Jack F. Eisenlauer". The signature is written in dark ink and is positioned above the typed name.

Jack F. Eisenlauer, Chief
Assessment Standards Division

JFE:ebv
Enclosures